

May 15th, 2024
 Banking, Equity

Price IDR 9,500
 Target Price IDR 11,400
 JKSE Index IDR 7,179.83



Stock Code
Bloomberg code BBCA IJ
Market Cap (IDR) 1,171.1 T
52-Week High (IDR) 10,400
52-Week Low (IDR) 8,600
6-m Avg Daily. Val (IDR) 9,558
Free Float (%) 42.37

Major Shareholders (%)
DIA 54.94
Commissioner 0.10
Directors 0.04
Public 44.92

USD/IDR-YE (JISDOR)
2023A 15,439
2024F 15,875

Key Indicators (%)
Gross NPL 1.71
Net Interest Margin 5.94

Analyst: Achmadi Hangradhika
 achmadi.hangradhika@binaartha.com

Investment Consideration

Maintaining Double-Digit Growth

In Q1 2024, BBCA sustained its growth in PATMI by 11.71% YoY, reaching IDR 12.88 trillion, although this was lower than FY23's growth of 19.40% YoY. The growth was driven by net income from the transaction FVTPL line item, which surged by 77.00% YoY due to realized gains on spot and derivative transactions and from selling financial assets. Additionally, interest income grew by 9.48%, but was offset by a 25.68% increase in interest expenses, keeping the bank-only NIM ratio stable at 5.6% both quarterly and annually. We forecast that BBCA will continue to grow its PATMI by another 12.32% YoY to IDR 54.63 trillion, with the consolidated NIM ratio expected to reach 5.94% due to interest rate hikes in 2024.

Robust Loan Expansion

As of March 2024, BBCA's consolidated loan portfolio grew robustly by 17.06% YoY to IDR 835.69 trillion. The highest annual growth was in corporate loans at 22.12%, followed by consumer loans at 14.87%, SME loans at 13.46%, and commercial loans at 9.25%. Shariah financing also saw significant growth, increasing by 20.78% YoY. From an economic sector perspective, the mining sector experienced the most substantial growth, surging by 334.46% YoY, followed by electricity, gas, and water, and transportation and warehousing, which grew by 43.02% YoY and 37.53% YoY, respectively. Additionally, BBCA's sustainable financing grew by 9.1% YoY. We predict that by December 2024, BBCA's loan portfolio will reach IDR 913.74 trillion, marking a 12.75% YoY increase.

Relatively Small Increase in NPL Ratio

In March 2024, BBCA's bank-only NPL ratio stood at 1.90%, a slight increase of 0.1% YoY but remained stable quarterly. This occurred due to increases in the commercial & SME and consumer segments, which reached 2.23% and 1.59%, respectively. The corporate segment's NPL improved by 18 bps YoY to 1.71%. We forecast that by December 2024, BBCA's bank-only NPL ratio will improve to 1.71%.

CASA Growth Rebounding

As of March 2024, BBCA's CASA ratio was 80.72%, a rise of 42 bps compared to Q4 2023 and a slight decrease of 47 bps annually. This increase was driven by growth in current accounts by 8.94% YoY and 0.25% QoQ, while savings accounts grew by 6.22% YoY and 3.54% QoQ. We predict that by December 2024, BBCA's CASA ratio will reach 81.54%, an increase of 124 bps YoY.

Valuation: 20% Upside, Buy

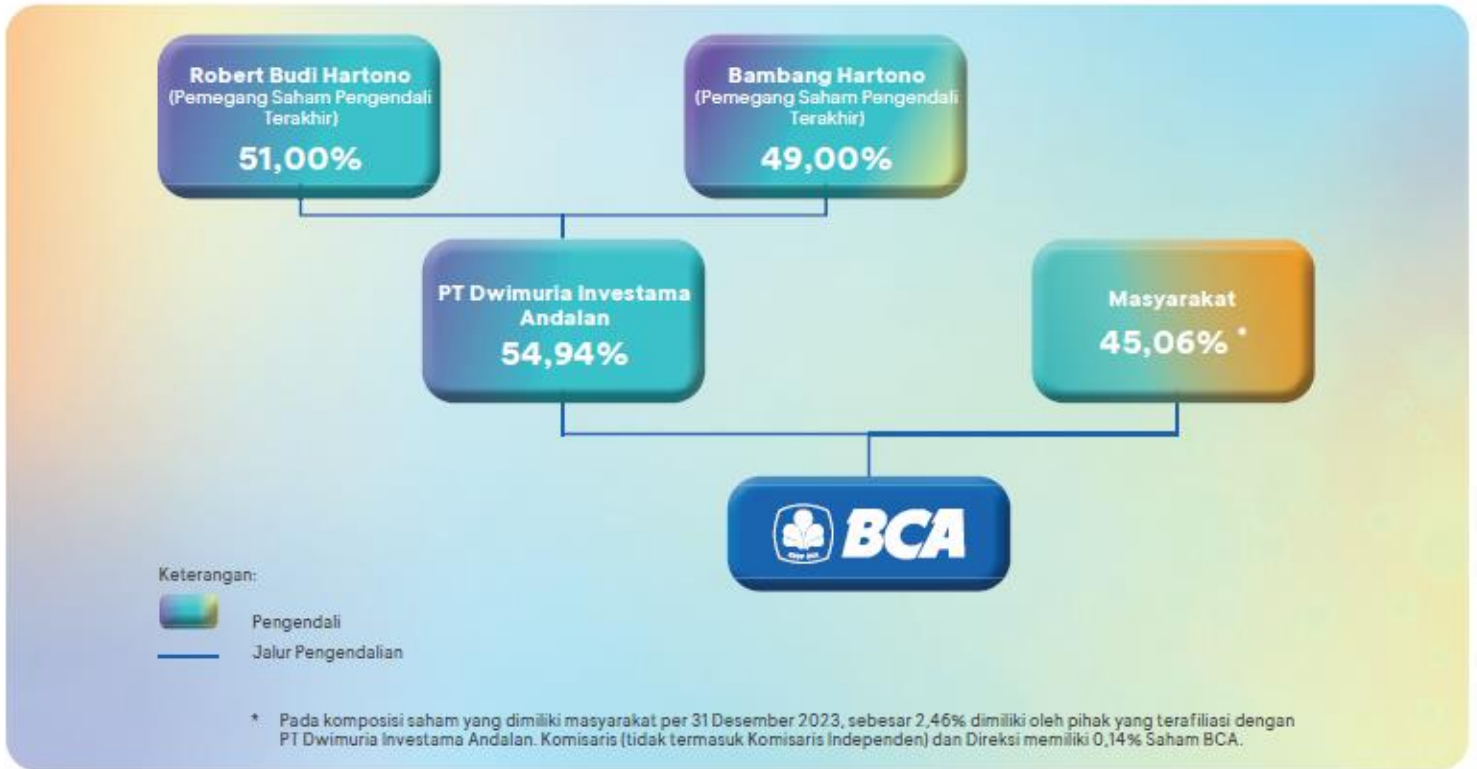
Based on our DDM valuation, we set a one-year target price of IDR 11,400, implying a valuation of 5.32x PBV and a potential upside of 20%. Consequently, we maintain a Buy.

| Financial Highlights | 2021A | 2022A | 2023A | 2024F |
|-------------------------------|---------|---------|---------|---------|
| Total Loan (Consol in IDR Bn) | 636,987 | 711,262 | 810,392 | 913,736 |
| Net Income (Consol in IDR Bn) | 31,423 | 40,736 | 48,639 | 54,629 |
| NIM (Consol) | 5.24% | 5.51% | 6.13% | 5.94% |
| NPL | 2.20% | 1.70% | 1.90% | 1.71% |
| CAR (Consol) | 26.85% | 26.84% | 29.40% | 27.43% |

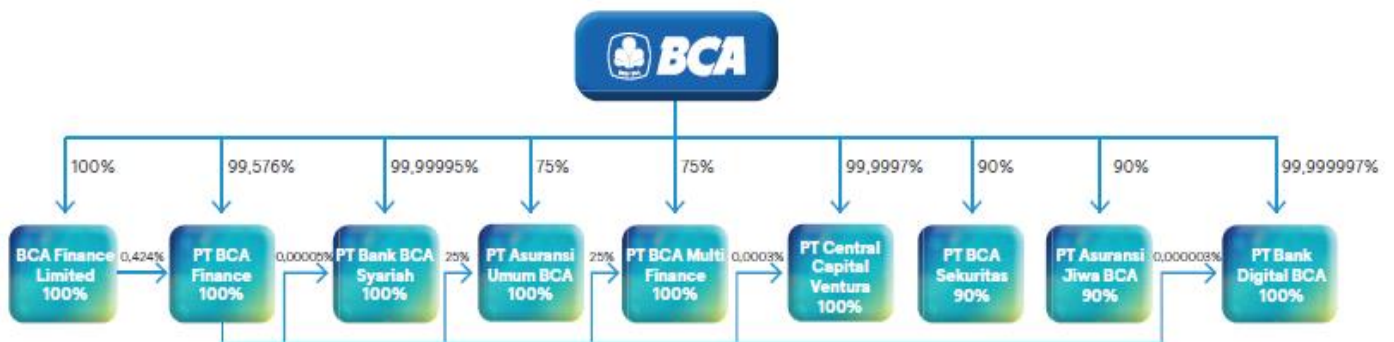
Company Profile

PT Bank Central Asia Tbk (the “Bank”) was established in Indonesia based on the Notary Deed No. 38 of Raden Mas Soeprapto dated 10 August 1955, originally named “N.V. Perseroan Dagang Dan Industrie Semarang Knitting Factory.” It started its banking operations on 12 October 1956. Currently known as PT Bank Central Asia, the Bank engages in banking activities and other financial services in accordance with the prevailing regulations in Indonesia.

Controlling Shareholder of BCA



Company Group Structure and Ownership of Subsidiaries



Source: Company

Chart: Gross Loan (IDR Bn) YoY

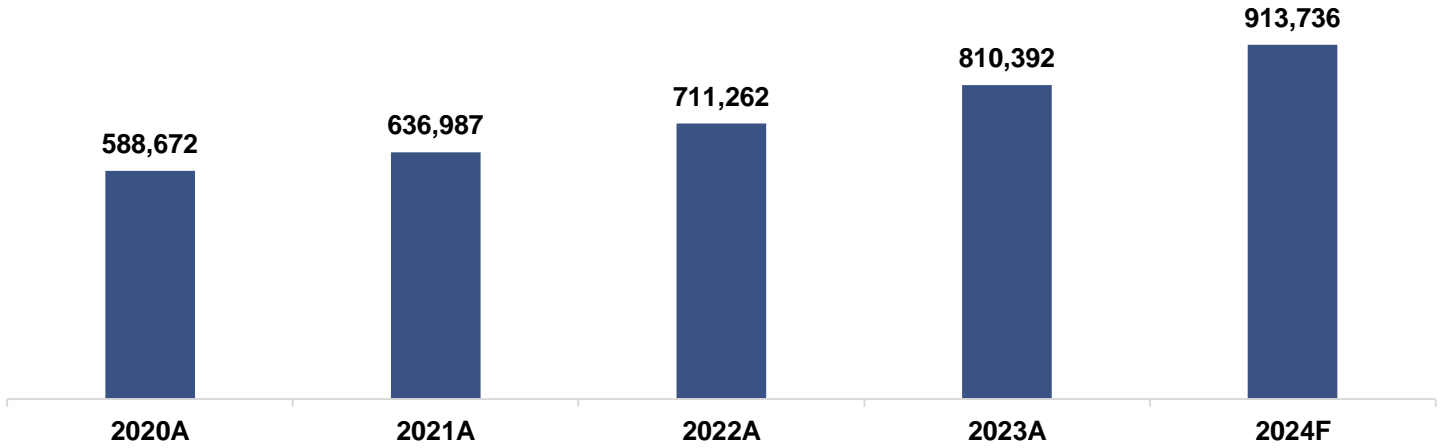


Chart: Profitability Ratio YoY

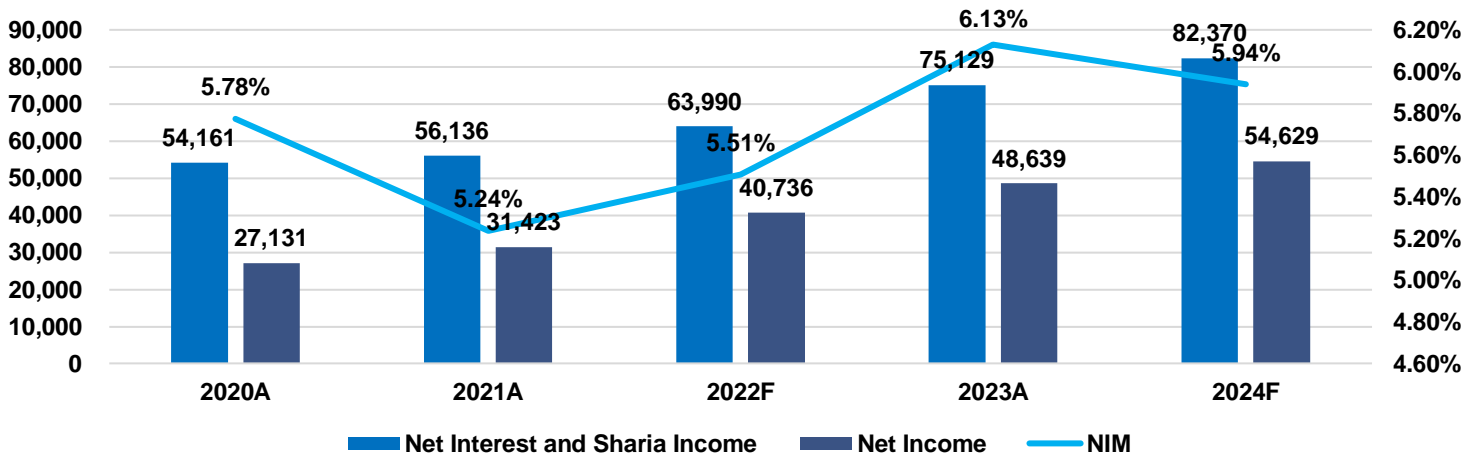


Chart: NPL Ratio – Bank Only (%) YoY

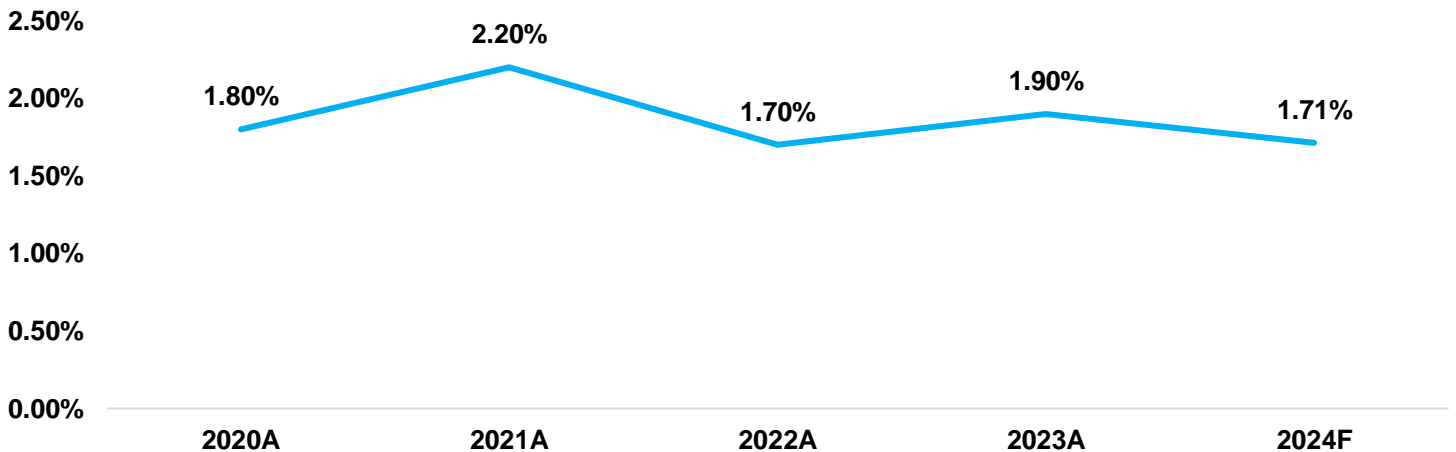


Chart: Gross Loan (IDR Bn) QoQ

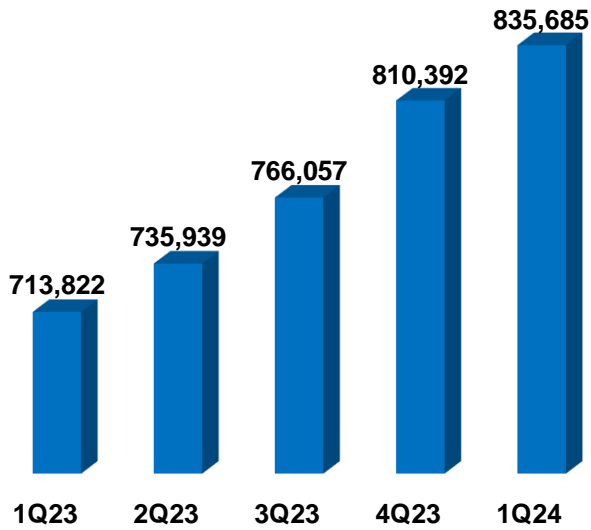


Chart: Customer Deposit (IDR Tn) QoQ

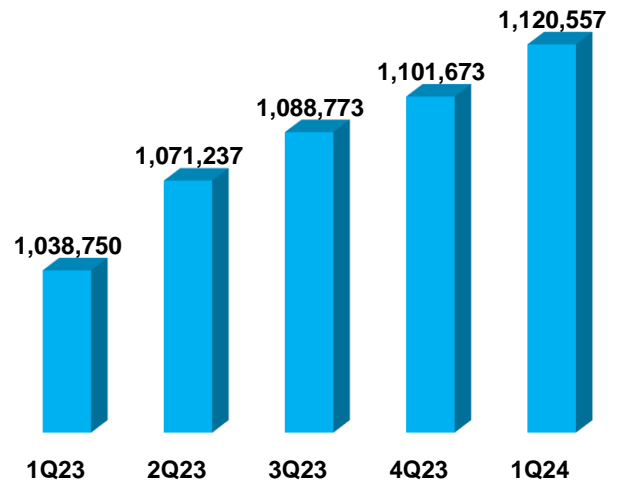


Chart: NPL Ratio – Bank Only (%) QoQ

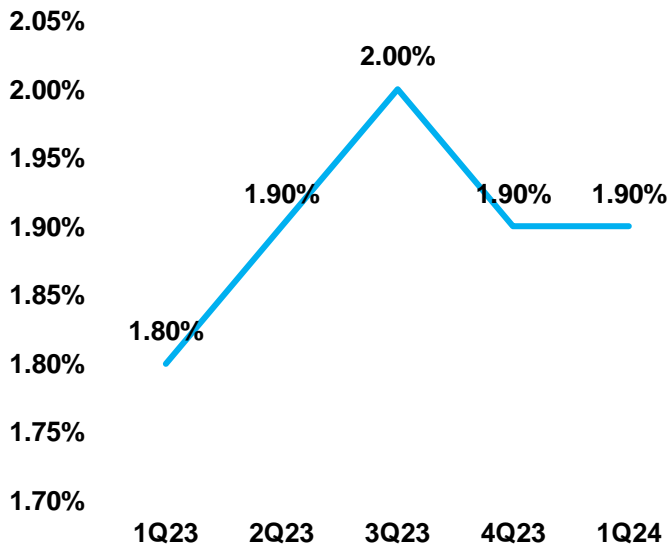
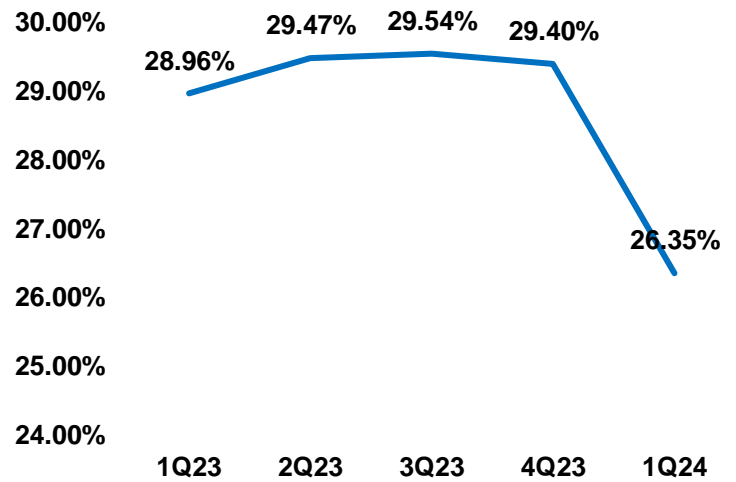


Chart: CAR (%) QoQ



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR(IDR bn))

| CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR) | 2020A | 2021A | 2022A | 2023A | 2024F |
|--|------------------|------------------|------------------|------------------|------------------|
| Cash and CA with BI | 51,805 | 89,401 | 125,470 | 114,319 | 106,702 |
| Interbank Placement | 47,456 | 87,153 | 31,383 | 5,202 | 31,230 |
| Marketable Securities | 192,753 | 224,512 | 249,186 | 312,598 | 341,694 |
| Gross Loan | 588,672 | 636,987 | 711,262 | 810,392 | 913,736 |
| Allowance for Loans | (27,914) | (33,240) | (34,841) | (34,061) | (33,836) |
| Loans-net | 560,758 | 603,747 | 676,421 | 776,331 | 879,900 |
| Other Earning Asset | 417,968 | 489,751 | 462,318 | 456,068 | 485,338 |
| Non-Earning Asset | 45,040 | 45,445 | 50,523 | 61,389 | 63,048 |
| Total Asset | 1,075,570 | 1,228,345 | 1,314,732 | 1,408,107 | 1,534,988 |
| Deposit: | | | | | |
| Current Account | 229,821 | 285,640 | 323,924 | 348,457 | 389,665 |
| Saving Account | 414,041 | 481,373 | 524,014 | 536,184 | 600,530 |
| Time Deposits | 196,890 | 208,937 | 191,780 | 217,032 | 224,128 |
| Other Interest-Bearing Liabilities | 15,529 | 17,729 | 19,366 | 20,269 | 14,888 |
| Non-Interest-Bearing Liabilities | 34,575 | 31,818 | 34,466 | 43,628 | 41,169 |
| Total Liabilities | 890,856 | 1,025,496 | 1,093,550 | 1,165,569 | 1,270,378 |
| Total Shareholder's Equity | 184,715 | 202,849 | 221,182 | 242,538 | 264,610 |

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (In IDR)

| CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (In IDR) | 2020A | 2021A | 2022A | 2023A | 2024F |
|--|---------------|---------------|---------------|---------------|---------------|
| Interest Income | 65,403 | 65,627 | 72,241 | 87,398 | 95,120 |
| Interest Expense | (11,242) | (9,491) | (8,252) | (12,269) | (12,749) |
| Net Interest Income | 54,161 | 56,136 | 63,990 | 75,129 | 82,370 |
| Net Operating Income | 21,004 | 22,338 | 23,487 | 24,817 | 27,654 |
| Operating Expense | (29,969) | (30,308) | (32,483) | (37,503) | (38,816) |
| PPOP | 45,197 | 48,165 | 54,994 | 62,443 | 71,208 |
| Provision Expense | (11,628) | (9,324) | (4,527) | (2,263) | (2,906) |
| Profit Before Tax | 33,569 | 38,841 | 50,467 | 60,180 | 68,302 |
| Tax Expense | (6,421) | (7,401) | (9,711) | (11,522) | (13,660) |
| Earning After Tax | 27,147 | 31,440 | 40,756 | 48,658 | 54,642 |
| Income for The Year Attributable to - NCI | 16 | 17 | 20 | 19 | 13 |
| Net Income | 27,131 | 31,423 | 40,736 | 48,639 | 54,629 |

Ratio Highlights

| Ratio Analysis (Consol) | 2020A | 2021A | 2022A | 2032A | 2024F |
|---------------------------------------|---------|---------|---------|---------|---------|
| Profitability & Efficiency | | | | | |
| NIM | 5.78% | 5.24% | 5.51% | 6.13% | 5.94% |
| ROE | 15.41% | 16.40% | 19.62% | 21.29% | 22.54% |
| ROA | 2.69% | 2.72% | 3.18% | 3.56% | 3.71% |
| BOPO | 47.69% | 45.24% | 42.55% | 44.35% | 42.00% |
| Cost of Credit | 1.98% | 1.46% | 0.64% | 0.28% | 0.32% |
| Liquidity | | | | | |
| LDR | 70.02% | 65.27% | 68.41% | 73.56% | 75.25% |
| CASA | 76.58% | 78.59% | 81.55% | 80.30% | 81.54% |
| Asset Quality | | | | | |
| Gross NPL (Bank-Only) | 1.80% | 2.20% | 1.70% | 1.90% | 1.71% |
| Gross NPL | 1.80% | 2.20% | 1.70% | 1.75% | 1.71% |
| Provision Coverage | 260.90% | 240.00% | 287.30% | 234.10% | 228.70% |
| Capital | | | | | |
| CAR | 26.89% | 26.85% | 26.84% | 29.40% | 27.43% |
| Growth | | | | | |
| Loan Growth | -2.50% | 8.21% | 11.66% | 13.94% | 12.75% |
| Deposit Growth | 20.28% | 16.08% | 6.53% | 5.96% | 10.23% |
| CASA Growth | 21.36% | 19.13% | 10.55% | 4.33% | 11.93% |
| Net Income Growth | -5.02% | 15.82% | 29.64% | 19.40% | 12.32% |

QoQ Result
**PT Bank Central Asia, Tbk
Key Ratios**

| CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (in IDR) | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | %QoQ | %YoY |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Loan | 713,822 | 735,939 | 766,057 | 810,392 | 835,685 | 3.12% | 17.07% |
| Loan Loss Reserves | (35,816) | (35,625) | (35,389) | (34,061) | (34,570) | 1.50% | -3.48% |
| NPL | 12,400 | 13,690 | 15,444 | 14,100 | 15,200 | 7.80% | 22.58% |
| Deposit | | | | | | | |
| Demand | 320,660 | 328,879 | 337,625 | 348,457 | 349,331 | 0.25% | 8.94% |
| Savings | 522,673 | 535,849 | 532,143 | 536,184 | 555,168 | 3.54% | 6.22% |
| Time Deposit | 195,416 | 206,509 | 219,005 | 217,032 | 216,058 | -0.45% | 10.56% |
| Total Asset | 1,321,723 | 1,356,757 | 1,381,449 | 1,408,107 | 1,444,008 | 2.55% | 9.25% |
| Shareholder Equity | 211,261 | 224,599 | 235,751 | 242,356 | 227,162 | -6.27% | 7.53% |

| CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (In IDR) | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | %QoQ | %YoY |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|----------------|
| Interest Income | 21,026 | 21,559 | 22,029 | 22,783 | 23,020 | 1.04% | 9.48% |
| Interest Expense | (2,544) | (3,059) | (3,297) | (3,370) | (3,197) | -5.12% | 25.69% |
| Net Interest Income | 18,482 | 18,501 | 18,733 | 19,413 | 19,823 | 2.11% | 7.25% |
| Net Operating Income | 6,449 | 6,109 | 6,305 | 5,953 | 6,590 | 10.69% | 2.19% |
| Operating Expense | (9,251) | (8,525) | (9,501) | (10,226) | (9,473) | -7.36% | 2.40% |
| PPOP | 15,680 | 16,085 | 15,537 | 15,141 | 16,940 | 11.88% | 8.04% |
| Provision Expense | (1,460) | (422) | (410) | 29 | (1,025) | 3493.75% | -29.82% |
| Profit Before Tax | 14,220 | 15,663 | 15,127 | 15,170 | 15,915 | 4.91% | 11.92% |
| Tax Expense | (2,687) | (2,996) | (2,887) | (2,952) | (3,037) | 2.88% | 13.02% |
| Earning After Tax | 11,533 | 12,667 | 12,240 | 12,218 | 12,879 | 5.41% | 11.67% |
| Income for The Year Attributable to - NCI | 3 | 7 | 10 | (1) | (1) | 27.31% | -131.42% |
| Net Income | 11,530 | 12,660 | 12,230 | 12,219 | 12,879 | 5.41% | 11.71% |

| Ratio (Bank-Only) | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | %QoQ | %YoY |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Profitability & Efficiency | | | | | | | |
| NIM | 5.60% | 5.50% | 5.50% | 5.60% | 5.60% | 0.00 | 0.00 |
| CIR | 35.10% | 31.20% | 36.10% | 36.50% | 32.40% | (4.10) | (2.70) |
| ROE | 22.30% | 26.10% | 22.30% | 23.40% | 22.70% | (0.70) | 0.40 |
| ROA | 3.40% | 3.90% | 3.40% | 3.70% | 3.60% | (0.10) | 0.20 |
| Cost of Credit | 0.80% | 0.10% | 0.30% | -0.10% | 0.40% | 0.50 | (0.40) |
| Liquidity | | | | | | | |
| LDR | 65.60% | 65.70% | 67.40% | 70.20% | 71.20% | 1.00 | 5.60 |
| CASA | 81.20% | 80.70% | 79.90% | 80.30% | 80.70% | 0.40 | (0.50) |
| Asset Quality | | | | | | | |
| Gross NPL | 1.80% | 1.90% | 2.10% | 1.90% | 1.90% | 0.00 | 0.10 |
| Provision Coverage | 285.40% | 257.10% | 226.50% | 234.10% | 220.30% | (13.80) | (65.10) |
| Capital | | | | | | | |
| CAR | 28.90% | 29.50% | 29.50% | 29.40% | 26.30% | (3.10) | (2.60) |

Stock Ratings:

Buy: a recommendation to purchase the security with upside potential of 20% or greater

Hold: a recommendation to neither buy nor sell a security with upside potential of 0-19%.

Sell: a recommendation to close out a long position in a security with upside potential below 0% or negative.

**RESEARCH TEAM
(62-21) 520-6678 ext.612**

Disclaimer; PT Binaartha Sekuritas has compiled this report in good faith, using information believed to be reliable. PT Binaartha and its analyst take no responsibility for the accuracy of the information contained in this report. This report has been produced for distribution to clients of PT Binaartha Sekuritas only. This report is not an invitation to buy or sell any security. PT Binaartha Sekuritas may have used the information in this report prior to publication. The company or its clients may have positions in or may from time to time buy or sell the securities mentioned in this report or other related securities.